

Attached, Letter of Oct. 18, 07

Equal Housing Opportunity

BENZIE HOUSING COUNCIL

To assist moderate and low income people by advocating for, creating, & increasing quality affordable housing opportunities in the Benzie County Community.

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October 18, 2007

Ms. Mary Levine, Director of Legal Affairs
Michigan State Housing Development Authority
735 East Michigan Ave.
Lansing, MI 48909

Dear Ms. Levine:

Thank you for requesting comments on the proposed criteria for Low Income Housing Tax Credit proposals, the Qualified Allocation Plan for 2008-2009. The Benzie Housing Council is a community-based, non-profit organization dedicated to increasing our ability to address the area's housing needs. I have been asked by my board to comment since proposed modifications affect the likelihood of affordable rental apartments being built in rural counties, including Benzie County. As a native Detroitter who is strongly in favor of revitalizing the city, I am also concerned about unintended consequences of quick revisions to the QAP may well harm all Michiganders in need of affordable rentals.

We applaud the focus on helping the homeless and most vulnerable in our state. However, we are concerned that several aspects of the QAP will make it more difficult to serve those in need of rental housing in rural Michigan (as well as the rest of the state).

I've always thought that my best friends are those willing to tell me that I have spinach on my teeth or soup on my tie before I enter a meeting. It's been very helpful

Given the rapid roll-out of the proposed QAP, it has been difficult to fully understand the plan's effects. I am concerned that projects under development may be delayed precisely when more people need to rent. I'm also concerned about changes that may make Michigan tax credit syndications much less attractive to tax credit investors when the state very much needs investment.

Regarding the 40% Rural Set Aside for Rural and Small Communities, we understand that Benzie County and other northern counties will be eligible for a single application window. Restricting Northern Michigan communities to applying for tax credit projects to once a year puts us at a disadvantage in the funding cycle, especially if it causes difficulties with our weather window for groundbreaking.

I encourage MSHDA to maintain the set-aside for preservation and renovation of existing apartments. This is especially needed where affordable rentals stand to become luxury condominiums, displacing the disabled, the elderly, and workers on very limited budgets. Preserving existing units prevents people

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from becoming homeless. We also encourage income integration in projects, and are concerned that too high a percentage of low income people will make projects less acceptable and less sustainable in Michigan's communities.

We are also concerned that extending certain requirements such as Davis Bacon and health care documentation may not result in better wages or benefits realized by local workers, but will likely increase the documentation required of developers, contractors, and subcontractors. This stands to make the process unnecessarily more unwieldy, more expensive, and more difficult, especially small and rural projects.

I applaud the effort to help the homeless and those in need of supportive housing. This is close to my heart, as I volunteered in a homeless shelter for a year and worked with mentally ill and developmentally disabled adults for four years. As a native of Detroit who loves the city of his birth and maintains regular contact with friends in the city, I very much applaud efforts to renew the city. At the same time, I'm urging MSHDA to be fair to the rural communities. Often those who cannot receive services in rural areas drift to the cities and unfairly burden already strained urban resources.

We are concerned that unintended consequences from a quick QAP revision may harm the very people we seek to serve. Having said this, I am strongly opposed to delay that might be used to defeat the purpose of the revisions, and will support MSHDA in realizing these goals. Thus, we urge a delay for prudent review and reflection while strongly support MSHDA's efforts to improve services to the homeless, the disabled, and those in need of affordable housing.

Very truly yours,

John O'Neill
Housing Advocate & Director

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